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For Immediate release
January 19, 2005

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**STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE
MEDIA RELEASE**

DPS ADOPTS *VERMONT ELECTRIC PLAN*

Montpelier, VT – Building on drafts of a state electric plan issued in December, 2003, and August 6, 2004, the Vermont Department of Public Service today issued the *Vermont Electric Plan*. The Department revised earlier drafts after considering a wide range of public input including multiple public hearings, stakeholder meetings, and written comments. This release is the final adopted plan.

"The environment for electric energy has changed dramatically since the last plan was published in 1994. In light of these changes, it is more important than ever that this Vermont Electric Plan establish guiding principles and serve as a framework for an ongoing planning process. The plan emphasizes three key areas: resource diversity, cost containment and clean energy. And it sets the table for a continuing planning process, involving all stakeholders in these topics that are critical to the future of Vermont. We are committed to an ongoing dialog on energy policy with all the stakeholders, and we will not allow another decade to pass before this plan is updated," said David O'Brien, DPS Commissioner. "In the next ten years we will be facing tough choices regarding our energy supply in the face of many uncertainties. We believe this document sets forth the proper guidance in terms of issues, goals and desired outcomes, and we look forward to working with the utilities and interested parties to the benefit of ratepayers," added O'Brien.

The development of the plan began with public meetings in 2001. In 2002, DPS solicited input on issues and concerns from stakeholders. A first draft was issued in December 2003, followed by five regional public meetings to gather input, and three workshops in January, February and March. A revised Public Comment Draft was released in August, 2004, generating further guidance and comments in meetings and written submissions. In all, more than 80 individuals and dozens of groups participated in meetings or submitted comments on one or more of the plan drafts. At each stage, stakeholder comments have led to changes and additions.

The plan emphasizes several key directions for electric energy policy at a time when Vermont faces the challenges of replacing its two largest generation sources in the coming decade. Key recommendations address:

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- Supply diversity in a manner consistent with long-held Vermont values.
- Emphasis on economic competitiveness and the need to balance supply decisions with considerations of rates paid by customers, while maintaining environmental quality and reliability.
- The need for retail utilities and VELCO to develop a comprehensive transmission plan that includes alternatives such as local generation and efficiency.
- The development of a more inclusive planning process, with planning seen not as a one-time event but as an ongoing, continual process, including goals for increasing public outreach and participation.

The Department of Public Service is required by Vermont law to develop the electric plan as the basis for electrical energy policy. The plan helps guide utilities in their own planning activities, and supports and guides DPS actions in public advocacy before the Public Service Board and federal energy regulators. As with previous plans, this plan provides broad guidance to utilities, regulators and policy makers to move the energy sector into the future.

"The Electric Plan statute calls for annual updates. I see this process as an ongoing discussion, and I look forward to this release serving as the beginning of the next phase of ongoing dialogue and cooperation with interested stakeholders," said Riley Allen, DPS Director of Planning.

The Vermont Electric Plan is available online at www.state.vt.us/psd or by calling 802-828-2811 to request a hard copy.

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